

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

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For Immediate Release

NEWS RELEASE SUMMARY - April 10, 2006

United States Attorney Carol C. Lam announced that Tyler Zollinger was sentenced today in U.S. District Court in San Diego by the Honorable Jeffrey T. Miller to serve four months in prison followed by four months in house arrest, based on Zollinger's conviction for conspiracy to commit wire fraud in connection with the now-defunct Pinnacle Capital Fund. Judge Miller also ordered Zollinger to pay \$119,000 in restitution to victims of the offense.

As part of his guilty plea in August 2005, Zollinger admitted that he conspired with Richard Robert Matthews, Jr., and Stephen Baere to defraud members of the public into investing money in the Pinnacle Capital Fund, a foreign currency trading fund managed by White Pine Trust Corporation ("White Pine"). Zollinger further admitted that he falsely represented to potential investors that the Pinnacle Capital Fund had consistently yielded double-digit profits since 1995, even though Zollinger knew that the fund didn't even exist until 1999. Zollinger also admitted that, during telephone conversations with potential investors, he assumed the false identity of "Tom Clausen," a supposedly satisfied customer of the Pinnacle Capital Fund.

Zollinger admitted that “Tom Clausen” was a phony identity devised to provide a false reference to potential investors.

Matthews and Baere have already been sentenced for their part in the White Pine scheme. First, in December 2005, Judge Miller sentenced Matthews, White Pine’s founder, to serve 63 months in prison for mail fraud (Criminal Case number 04-CR-3162). Judge Miller ordered Matthews to pay over \$14,000,000 in restitution to the victims of the offense. As part of his earlier guilty plea, Matthews had admitted that the Pinnacle Capital Fund reported false trading results to investors, and that he wrongfully withdrew and spent millions of dollars of investor funds. Second, in January 2006, Judge Miller sentenced Baere, White Pine’s Director of Business Development, to serve five months in prison followed by five months of house arrest for conspiracy to commit mail fraud (Criminal Case number 05-CR-0874). Like Zollinger, Baere earlier had admitted that he used false representations to solicit investments into the Pinnacle Capital Fund.

According to Assistant United States Attorney William Cole, who prosecuted the case, Zollinger and Baere solicited investments into the Pinnacle Capital Fund through illegal means, but were not responsible for the use of the investment funds after they were received by White Pine; rather, that was Matthews’ responsibility.

United States Attorney Lam praised the efforts of the Federal Bureau of Investigation, Immigration and Customs Enforcement, and the Commodity Futures Trading Commission.

DEFENDANT

Criminal Case No. 05-CR-1437-JM

Tyler Zollinger

SUMMARY OF CHARGES

Title 18, United States Code, Section 371 - Conspiracy to Commit Wire Fraud
Maximum penalties: 5 years in prison; a \$250,000 fine; and three years of supervised release.

PARTICIPATING AGENCIES

Federal Bureau of Investigation
U.S. Department of Homeland Security - Immigration and Customs Enforcement
Commodity Futures Trading Commission